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Status of Funds

What is a Status of Funds?

The status of funds is performed on all years of a program's funding, every month. It begins with document processing and financial reconciliation and ends with analysis and reporting. The Foundation Financial Information System (FFIS) only reflects obligations. Commitments and non-recurring expenditures must be managed and reported through the status of funds process. The purpose of the status of funds process is to project balances of obligations and availability of funds through the end of the fiscal year. Reports derived from the status of funds process include year-to-date obligations, both in non-recurring and recurring budget object codes; projected end-of-year obligations including estimates for non-recurring obligations¹ (planned one-time purchases); and projected end-of-year balances. These reports are developed based on the latest available accounting data, adjustments, and estimates of non-recurring spending. The development of the status of funds begins by reviewing all known data including the current rate of spending and historical spending trends. Once all data is reviewed for accuracy, the projected obligations and balances can be developed.

The status of funds is not just a compilation of numbers, planned and year-to-date program accomplishments, it also must be reviewed and analyzed. In addition to addressing a unit's financial status, the status of funds must present the general health of the unit and its program accomplishments.

¹ These were previously referred to as "add-ons". The preferred term is non-recurring expenditures. These are one-time purchases.

Why Prepare One?

The status of funds is a useful management tool. In addition to ensuring the Agency does not violate the Anti-Deficiency Act, the status of funds process (and resulting reports) provides the Administrator, Deputy Administrators, and program managers with the opportunity to review program accomplishments; to make decisions on the direction of a program; to identify major spending needs; and to identify potential problem areas needing greater management attention.

Potential problems might necessitate hiring freezes, spending limits, and/or the reprogramming of funds.²

Who Prepares the Status of Funds?

The status of funds is similar to a pyramid, with the area and State at the bottom, added together to get regional status, and then added to the headquarters report to arrive at a total program status of funds. All program's status of funds reports are then added together and reconciled to APHIS Appropriation Act citations and general provisions to produce an APHIS status of funds report for the Administrator. On a regular basis (depending on the program unit), the regional/area/State offices download, process, reconcile and analyze data from FFIS and prepare status of funds reports including funding availability, year-to-date obligations, as well as projected end-of-year obligations, and projected end-of-year balances for current and prior year accounts. The regional and area/State status of funds reports are forwarded up the program chain of command to the Headquarters Resource Management Staffs (RMS). These staffs consolidate the regional reports and prepare a program level status of funds report.

These reports are then forwarded to the Policy and Program Development, Budget and Program Analysis Staff (BPAS). Usually, this involves monthly meetings between the RMS and the BPAS analyst. The BPAS analyst then uses the reports prepared by the RMS to prepare various special analyses to identify spending trends and emerging issues and/or problems. The analyst then presents the material to the APHIS Budget Officer in PPD-BPAS.

² The reprogramming of funds from one program to another may be necessary when a potential deficit of \$500,000 or more has been identified. The House and Senate Appropriations Committees require the Agency to notify them of reprogramming plans.

**Who Prepares the Status of Funds?
(Continued)**

The material from each unit is then consolidated into an Agency status of funds and presented to the Administrator. Most programs utilize an automated status of funds tracking system and have full time financial analysts.

The status of funds process differs slightly in the support units. For a number of the support units, for example, Marketing and Regulatory Programs Business Services, and the Office of the Administrator, the status of funds process is performed by respective “gatherers” and “reconcilers” in the support units with additional analysis and adjustments performed by the MRPBS-FMD, Budget Execution and Support Team (BEST). Other support units, such as Legislative and Public Affairs and Policy and Program Development, reconcile their own documents but rely on BEST for analysis, adjustments, and reporting. The support units utilized a simplified spreadsheet process for status of funds and have part time resources for financial analysts.

How to Prepare the Status of Funds

The status of funds process serves to provide information regarding total obligations to date, committed and planned obligations to date, remaining available funds, and where and how funds have/are being spent. This is a monthly process which begins with accounting reports for the current and prior years.

All APHIS obligations are recorded in FFIS. The FFIS data is the official accounting record for the Agency, and provides the only common base of accounting records for field, program headquarters, and FMD use. Accounting reports include transactions through the last day of processing and are available daily in the Financial Data Warehouse (FDW) BRIO report. Data tables are real time in FFIS.

Detail transaction reports (DTR) provide a list of individual transactions by budget sub-object classification codes except those processing in the Payroll Accounting System (PACS) feeder. The payroll actions are provided in the Payroll Report by Pay Period (PRPP) or other payroll reports available. Many programs utilize an automated status of funds system developed in Access. It utilizes a status of funds extract download from FFIS for current fiscal year analysis.

How to Prepare the Status of Funds (Continued)

(Note: Programs are cautioned not to solely rely on the BRIO SOF extract or any BRIO report. Periodically, report balances must be reconciled to FFIS tables to re-certify their accuracy). Accounting Code Summary by BOC (ACSB) reports total all transactions for year-to-date by budget sub-object classification codes. The detail transaction reports are used to reconcile transaction documents to determine whether they are included in current data, and to be certain that amounts posted are correct and charged to correct accounting codes. After this process has been completed, the development of status of funds reports can begin.

Although the status of funds process can include numerous transaction documents, the process is basically the same as in the reconciliation of a personal checkbook in which you make certain that bank entries are correct, you make necessary adjustments, and you determine remaining availability and a projected balance after subtracting remaining expenses for a given time period.

Based on this information, individuals determine where spending needs to be changed to achieve desired goals. Although the terminology is somewhat different when dealing with APHIS accounts rather than a personal checking account, the same type of issues are considered in developing an effective status of funds. These include:

- ◆ Comparing actual spending accomplishments to program goals (operating plan);
- ◆ Reviewing changes or seasonal variations in program activities;
- ◆ Ensure accuracy of transactions;
- ◆ Identifying attainable program accomplishments in accordance with program goals; and
- ◆ Comparing resources to program needs.

Although the FFIS data serves as a common base, several adjustments are necessary for developing status of funds projections. The standard status of funds formula is:

**How to Prepare
the Status of
Funds (Continued)**

- 1) Obligations (from DTR, PRPP, ACSB, and status of funds extract reports, etc.).
- 2) Plus or minus adjustments (to correct errors).
- 3) Minus non-recurring items (sporadic or one-time obligations), not currently appearing in FFIS data, from total obligations prior to projecting recurring obligations.
- 4) Plus projected recurring obligations, not currently appearing in FFIS data, (current recurring obligations divided by the days elapsed, multiplied by the number of working days in the year).
- 5) Plus non-recurring obligations, not currently appearing in FFIS data, year-to-date.
- 6) Plus the estimated total costs for non-recurring items for the remainder of the Fiscal Year.
- 7) Plus or minus adjustments (seasonal variations in normal recurring obligations).
- 8) End-of-year (EOY) projected obligations net 1 through 8.
- 9) Allocation minus EOY projection = projected balance-surplus/deficit.

The order of the formula above is suggested by FMD but may be modified by the units. The result of the formula is projected EOY obligations. By comparing the EOY obligations to the allocation, one can find the projected balance for the year. APHIS managers at all levels can compare the projections to the allocations and make necessary adjustments accordingly.

Each month the process repeats itself with projected balances being adjusted for events occurring during the month. Due to these adjustments, preparation of the monthly status of funds becomes an involved and time sensitive process that is crucial to proper funds management for current or prior year activity.

**How to Prepare
the Status of
Funds (Continued)**

In reviewing and projecting obligations by object class, the primary concern for most Agency accounts is with salaries and benefits, as these comprise the bulk of Agency costs (approximately 70%) and there is little flexibility in controlling these costs. It is recommended that salary and benefit costs are re-projected each month, due to changes resulting from promotions, retirements, leave without pay, overtime, within grade increases, cost of living and locality pay increase, lump sum payments, and changes to benefits. The projected costs for salaries and benefits determine the changing availability for all other expenses, such as travel, training, equipment, and supplies.

**How to Prepare
Prior Year Status
of Funds**

The process for preparing prior year status of funds is very similar to current year. The same reports can be used from the FDW. In addition, the BRIO report Unliquidated Obligations History (UOH) and Obligations Summary Reports (OSR) are also utilized. Monthly, an analysis is conducted by the program and support unit account managers to conform all year end adjustments and requests to bill from the proceeding years (up to 5 years) have been completed as projected. Also, the projected end-of-year (EOY) revised obligation balance for each allocated fund must be compared to the actual project-to-date. These can be obtained in FFIS tables Suballotment Spending (SASP), Allotment Inquiry Table (ALLT), and Allocation (ALOC). The SASP table shows obligations to the accounting code level of detail. The ALLT table shows obligations by organization (ORGN) level of details. The ALOC table shows allocations, spending, and actual collections by Division.

It is important to remember you cannot create new obligations for a prior year account balance. The prior year monthly analysis is to ensure actual documents were processed to permanently replace the temporary year-end adjustments data entered the previous five years.